

By: Averitt, Ellis
Hinojosa

S.B. No. 12

A BILL TO BE ENTITLED

AN ACT

relating to programs for the enhancement of air quality, including energy efficiency standards in state purchasing and energy consumption; providing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. LOW-INCOME VEHICLE REPAIR ASSISTANCE, RETROFIT, AND
ACCELERATED VEHICLE RETIREMENT PROGRAM

SECTION 1.01. Section 382.003, Health and Safety Code, is amended by adding Subdivisions (7-a), (9-a), (9-b), (10-a), and (10-b) to read as follows:

(7-a) "Hybrid motor vehicle" means a motor vehicle that draws propulsion energy from both gasoline or conventional diesel fuel and a rechargeable energy storage system.

(9-a) "Motor vehicle" means a fully self-propelled vehicle having four wheels that has as its primary purpose the transport of a person or persons, or property, on a public highway.

(9-b) "New motor vehicle" means a motor vehicle that has not been the subject of a retail sale regardless of the mileage of the vehicle.

(10-a) "Qualifying new motor vehicle" means a new motor vehicle that meets the requirements of Section 382.210(b).

(10-b) "Retail sale" means any sale of a motor vehicle other than a sale in which the purchaser acquires a vehicle for resale.

SECTION 1.02. Subsection (b), Section 382.0622, Health and Safety Code, is amended to read as follows:

(b) Except as provided by Subsection [~~Subsections~~] (b-1) [~~and (e)~~], Clean Air Act fees shall be deposited in the state treasury to the credit of the clean air account and shall be used to safeguard the air resources of the state.

SECTION 1.03. Section 382.209, Health and Safety Code, is amended by amending Subsections (b), (e), and (g) and adding Subsections (i) and (j) to read as follows:

(b) The commission shall provide funding for local low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs with available funds collected under Section 382.202, 382.302, or other designated and available funds. The programs shall be administered in accordance with Chapter 783, Government Code. Program [~~Programmatic~~] costs may include call center management, application oversight, invoice analysis, education, outreach, and advertising. Not more than 10 percent of the money provided to a local low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program under this section may be used for the administration of the programs, including program costs.

(e) A vehicle is not eligible to participate in a low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program established under this section unless:

- (1) the vehicle is capable of being operated;
- (2) the registration of the vehicle:
 - (A) is current; and

1 (B) reflects that the vehicle has been registered
2 in the county implementing the program for the 12 months preceding
3 the application for participation in the program;

4 (3) the commissioners court of the county
5 administering the program determines that the vehicle meets the
6 eligibility criteria adopted by the commission, the Texas
7 Department of Transportation, and the Public Safety Commission;
8 ~~[and]~~

9 (4) if the vehicle is to be repaired, the repair is
10 done by a repair facility recognized by the Department of Public
11 Safety, which may be an independent or private entity licensed by
12 the state; and

13 (5) if the vehicle is to be retired under this
14 subsection and Section 382.213, the replacement vehicle is a
15 qualifying new motor vehicle.

16 (g) A participating county may contract with any
17 appropriate entity, including the regional council of governments
18 or the metropolitan planning organization in the appropriate
19 region, or with another county for services necessary to implement
20 the participating county's low-income vehicle repair assistance,
21 retrofit, and accelerated vehicle retirement program. The
22 participating counties in a nonattainment region or counties
23 participating in an early action compact under Subchapter H may
24 agree to have the money collected in any one county be used in any
25 other participating county in the same region. ~~[The participating~~
26 ~~counties may also agree to contract with any appropriate entity,~~
27 ~~including the regional metropolitan planning organization or~~

~~council of governments, to implement a program under Section 382.217.]~~

(i) Notwithstanding the vehicle replacement requirements provided by Subsection (d)(2), the commission by rule may provide monetary or other compensatory assistance under the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program, subject to the availability of funds, for the replacement of a vehicle that meets the following criteria:

(1) the vehicle is gasoline-powered and is at least 10 years old;

(2) the vehicle owner meets applicable financial eligibility criteria;

(3) the vehicle meets the requirements provided by Subsections (e)(1) and (2); and

(4) the vehicle has passed a Department of Public Safety motor vehicle safety inspection or safety and emissions inspection within the 15-month period before the application is submitted.

(j) The commission may provide monetary or other compensatory assistance under the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement program for a replacement vehicle or replacement assistance for a pre-1996 model year vehicle that passes the required United States Environmental Protection Agency Start-Up Acceleration Simulation Mode Standards emissions test but that would have failed the United States Environmental Protection Agency Final Acceleration Simulation Mode Standards emissions test or some other criterion

1 determined by the commission; provided, however, that a replacement
2 vehicle under this subsection must be a qualifying new motor
3 vehicle.

4 SECTION 1.04. Section 382.210, Health and Safety Code, is
5 amended to read as follows:

6 Sec. 382.210. IMPLEMENTATION GUIDELINES AND REQUIREMENTS.

7 (a) The commission by rule shall adopt guidelines to assist a
8 participating county in implementing a low-income vehicle repair
9 assistance, retrofit, and accelerated vehicle retirement program
10 authorized under Section 382.209. The guidelines at a minimum
11 shall recommend:

12 (1) a minimum and maximum amount for repair
13 assistance;

14 (2) a minimum and maximum amount toward the purchase
15 price of a replacement vehicle qualified for the accelerated
16 retirement program, with the maximum amount not to exceed \$2,500
17 or, if the replacement vehicle is a hybrid motor vehicle, \$3,500;

18 (3) criteria for determining eligibility, taking into
19 account:

20 (A) the vehicle owner's income, which may not
21 exceed 300 percent of the federal poverty level;

22 (B) the fair market value of the vehicle; and

23 (C) any other relevant considerations;

24 (4) safeguards for preventing fraud in the repair,
25 purchase, or sale of a vehicle in the program; and

26 (5) procedures for determining the degree and amount
27 of repair assistance a vehicle is allowed, based on:

1 (A) the amount of money the vehicle owner has
2 spent on repairs;

3 (B) the vehicle owner's income; and

4 (C) any other relevant factors.

5 (b) A replacement vehicle described by Subsection (a)(2)
6 must:

7 (1) except as provided by Subsection (c), be a vehicle
8 in a class or category of vehicles that has been certified to meet
9 federal Tier 2, Bin 5 or a cleaner Bin certification under 40 C.F.R.
10 Section 86.1811-04, as published in the February 10, 2000, Federal
11 Register;

12 (2) have a gross vehicle weight rating of less than
13 10,000 pounds; and

14 (3) be a vehicle the total cost of which does not
15 exceed \$25,000.

16 (c) The commission may adopt any revisions made by the
17 federal government to the emissions standards described by
18 Subsection (b)(1).

19 (d) A participating county shall provide an electronic
20 means for distributing vehicle repair or replacement funds once all
21 program criteria have been met with regard to the repair or
22 replacement. The county shall ensure that funds are transferred to
23 a participating dealer under this section not later than one
24 business day after the date the sale of a replacement vehicle is
25 completed.

26 (e) In rules adopted under this section, the commission
27 shall require a mandatory procedure that:

1 (1) produces a document confirming that a person is
2 eligible to purchase a new vehicle in the manner provided by this
3 chapter, and the amount of money available to the participating
4 purchaser;

5 (2) provides that a person who seeks to purchase a new
6 vehicle in the manner provided by this chapter is required to have
7 the document required by Subdivision (1) before the person enters
8 into negotiation for a new vehicle in the manner provided by this
9 chapter; and

10 (3) provides that a participating dealer who relies on
11 a document issued as required by Subdivision (1) has no duty to
12 otherwise confirm the eligibility of a person to purchase a new
13 vehicle in the manner provided by this chapter.

14 (f) In this section, "total cost" means the total amount of
15 money paid or to be paid for the purchase of a motor vehicle as set
16 forth as "sales price" in the form entitled "Application for Texas
17 Certificate of Title" promulgated by the Texas Department of
18 Transportation. In a transaction that does not involve the use of
19 that form, the term means an amount of money that is equivalent, or
20 substantially equivalent, to the amount that would appear as "sales
21 price" on the Application for Texas Certificate of Title if that
22 form were involved.

23 SECTION 1.05. Section 382.213, Health and Safety Code, is
24 amended by amending Subsection (a) and adding Subsections (d)
25 through (i) to read as follows:

26 (a) Except as provided by Subsection (c) and Subdivision (5)
27 of this subsection, a vehicle retired under an accelerated vehicle

1 retirement program authorized by Section 382.209 may not be resold
2 or reused in its entirety in this or another state. Subject to the
3 provisions of Subsection (i), the automobile dealer who takes
4 possession of the vehicle must submit to the program administrator
5 proof, in a manner adopted by the commission, that the vehicle has
6 been retired. The vehicle must be:

7 (1) destroyed;
8 (2) recycled;
9 (3) dismantled and its parts sold as used parts or used
10 in the program;

11 (4) placed in a storage facility of a program
12 established under Section 382.209 and subsequently destroyed,
13 recycled, or dismantled and its parts sold or used in the program;
14 or

15 (5) repaired, brought into compliance, and used as a
16 replacement vehicle under Section 382.209(d)(2).

17 (d) Notwithstanding Subsection (a)(3), the dismantler of a
18 vehicle shall scrap the emissions control equipment and engine.
19 The dismantler shall certify that the equipment and engine have
20 been scrapped and not resold into the marketplace. A person who
21 causes, suffers, allows, or permits a violation of this subsection
22 or of a rule adopted under this section is subject to a civil
23 penalty under Subchapter D, Chapter 7, Water Code, for each
24 violation. For purposes of this subsection, a separate violation
25 occurs with each fraudulent certification or prohibited resale.

26 (e) Notwithstanding Subsection (d), vehicle parts not
27 related to emissions control equipment or the engine may be resold

1 in any state.

2 (f) Any dismantling of vehicles or salvaging of steel under
3 this section must be performed at a facility located in this state.

4 (g) In dismantling a vehicle under this section, the
5 dismantler shall remove any mercury switches in accordance with
6 state and federal law.

7 (h) For purposes of this section, the commission shall adopt
8 rules defining "emissions control equipment" and "engine."

9 (i) Notwithstanding any other provision of this section,
10 and except as provided by this subsection, a dealer is in compliance
11 with this section and incurs no civil or criminal liability as a
12 result of the disposal of a replaced vehicle if the dealer produces
13 proof of transfer of the replaced vehicle by the dealer to a
14 dismantler. The defense provided by this subsection is not
15 available to a dealer who knowingly and intentionally conspires
16 with another person to violate this section.

17 SECTION 1.06. Subchapter G, Chapter 382, Health and Safety
18 Code, is amended by adding Section 382.219 to read as follows:

19 Sec. 382.219. PURCHASE OF REPLACEMENT VEHICLE; AUTOMOBILE
20 DEALERSHIPS. (a) An amount described by Section 382.210(a)(2) may
21 be used as a down payment toward the purchase of a replacement
22 vehicle.

23 (b) An automobile dealer that participates in the
24 procedures and programs offered by this chapter must be located in
25 the state. No dealer is required to participate in the procedures
26 and programs provided by this chapter.

27 SECTION 1.07. Subchapter G, Chapter 382, Health and Safety

Code, is amended by adding Section 382.220 to read as follows:

Sec. 382.220. USE OF FUNDING FOR LOCAL INITIATIVE PROJECTS.

(a) Money that is made available to affected or participating counties under Sections 382.202(g) and 382.302 may be appropriated only for programs administered in accordance with Chapter 783, Government Code, to improve air quality.

(b) A program under this section must be implemented in consultation with the commission and may include a program to:

(1) expand and enhance the AirCheck Texas Repair and Replacement Assistance Program;

(2) develop and implement programs or systems that remotely determine vehicle emissions and notify the vehicle's operator;

(3) develop and implement projects to implement the commission's smoking vehicle program;

(4) develop and implement projects for coordinating with local law enforcement officials to reduce the use of counterfeit state inspection stickers by providing local law enforcement officials with funds to identify vehicles with counterfeit state inspection stickers and to carry out appropriate actions;

(5) develop and implement programs to enhance transportation system improvements; or

(6) develop and implement new air control strategies designed to assist local areas in complying with state and federal air quality rules and regulations.

(c) Money that is made available for the implementation of a

1 program under Subsection (b) may not be expended for call center
2 management, application oversight, invoice analysis, education,
3 outreach, or advertising purposes.

4 (d) Fees collected under Sections 382.202 and 382.302 may be
5 used, in an amount not to exceed \$5 million per fiscal year, for
6 projects described by Subsection (b). The fees shall be made
7 available only to counties participating in the low-income vehicle
8 repair assistance, retrofit, and accelerated vehicle retirement
9 programs created under Section 382.209 and only on a matching
10 basis, whereby the commission provides money to a county in the same
11 amount that the county dedicates to a project authorized by
12 Subsection (b).

13 SECTION 1.08. Subsection (b), Section 152.002, Tax Code, is
14 amended to read as follows:

15 (b) "Total consideration" does not include:

- 16 (1) a cash discount;
- 17 (2) a full cash or credit refund to a customer of the
18 sales price of a motor vehicle returned to the seller;
- 19 (3) the amount charged for labor or service rendered
20 in installing, applying, remodeling, or repairing the motor vehicle
21 sold;
- 22 (4) a financing, carrying, or service charge or
23 interest on credit extended on a motor vehicle sold under a
24 conditional sale or other deferred payment contract;
- 25 (5) the value of a motor vehicle taken by a seller as
26 all or a part of the consideration for sale of another motor
27 vehicle, including any cash payment to the buyer under Section

1 348.404, Finance Code;

2 (6) a charge for transportation of the motor vehicle
3 after a sale; ~~[or]~~

4 (7) motor vehicle inventory tax; or

5 (8) an amount made available to the customer under
6 Subchapter G, Chapter 382, Health and Safety Code.

7 SECTION 1.09. Section 7.102, Water Code, is amended to read
8 as follows:

9 Sec. 7.102. MAXIMUM PENALTY. A person who causes, suffers,
10 allows, or permits a violation of a statute, rule, order, or permit
11 relating to Chapter 37 of this code, Chapter 366, 371, or 372,
12 Health and Safety Code, Subchapter G, Chapter 382, Health and
13 Safety Code, or Chapter 1903, Occupations Code, shall be assessed
14 for each violation a civil penalty not less than \$50 nor greater
15 than \$5,000 for each day of each violation as the court or jury
16 considers proper. A person who causes, suffers, allows, or permits
17 a violation of a statute, rule, order, or permit relating to any
18 other matter within the commission's jurisdiction to enforce, other
19 than violations of Chapter 11, 12, 13, 16, or 36 of this code, or
20 Chapter 341, Health and Safety Code, shall be assessed for each
21 violation a civil penalty not less than \$50 nor greater than \$25,000
22 for each day of each violation as the court or jury considers
23 proper. Each day of a continuing violation is a separate violation.

24 SECTION 1.10. The following provisions of the Health and
25 Safety Code are repealed:

26 (1) Subsection (e), Section 382.0622;

27 (2) Subsections (q) and (r), Section 382.202; and

1 (3) Section 382.217.

2 SECTION 1.11. The Texas Commission on Environmental Quality
3 shall review its current cutpoint levels for nitrogen oxide
4 emissions and determine whether a lower cutpoint standard would
5 best serve the interest of the public health and welfare. The
6 determination shall be made by rule not later than January 1, 2008.
7 If the commission adopts a lower cutpoint standard, the commission
8 shall make the low-income vehicle repair assistance, retrofit, and
9 accelerated vehicle retirement program under Section 382.209,
10 Health and Safety Code, as amended by this article, available to
11 owners of vehicles that did not meet the prior, more stringent
12 standard.

13 SECTION 1.12. (a) The Texas Commission on Environmental
14 Quality shall seek to work in partnership with automobile
15 manufacturers and dealers in the state to increase public awareness
16 of and participation in the low-income vehicle repair assistance,
17 retrofit, and accelerated vehicle retirement program under Section
18 382.209, Health and Safety Code, as amended by this article.

19 (b) Funding for the partnership described by Subsection (a)
20 of this section shall be used exclusively for the purpose of
21 publicizing the program.

22 SECTION 1.13. (a) The Texas Commission on Environmental
23 Quality shall seek to work in partnership with the steel industry
24 and automobile dismantlers to ensure that vehicles being replaced
25 are scrapped and that proof of scrapping is provided to the
26 commission.

27 (b) Not later than January 1, 2008, the Texas Commission on

1 Environmental Quality shall adopt procedures for certifying that
2 emissions control equipment and vehicle engines have been scrapped
3 and not resold into the marketplace and shall by rule define
4 "emissions control equipment" and "engine," as required by Section
5 382.213, Health and Safety Code, as amended by this article.

6 ARTICLE 2. TEXAS EMISSIONS REDUCTION PLAN

7 SECTION 2.01. Section 386.002, Health and Safety Code, is
8 amended to read as follows:

9 Sec. 386.002. EXPIRATION. This chapter expires August 31,
10 2013 [~~2010~~].

11 SECTION 2.02. Subsection (d), Section 386.053, Health and
12 Safety Code, is amended to read as follows:

13 (d) The commission may propose revisions to the guidelines
14 and criteria adopted under this section as necessary to improve the
15 ability of the plan to achieve its goals. Revisions may include,
16 among other changes, adding additional pollutants, adding
17 stationary engines or engines used in stationary applications,
18 adding vehicles and equipment that use fuels other than diesel, or
19 adjusting eligible program categories, as appropriate, to ensure
20 that incentives established under this chapter achieve the maximum
21 possible emissions reductions. The commission shall make a
22 proposed revision available to the public before the 30th [~~45th~~]
23 day preceding the date of final adoption of the revision and shall
24 hold at least one public meeting to consider public comments on the
25 proposed revision before final adoption.

26 SECTION 2.03. Subsection (c), Section 386.104, Health and
27 Safety Code, is amended to read as follows:

(c) For a proposed project as described by Section 386.102(b), other than a project involving a marine vessel or engine, not less than 75 percent of vehicle miles traveled or hours of operation projected for the five years immediately following the award of a grant must be projected to take place in a nonattainment area or affected county of this state. The commission may also allow vehicle travel on highways and roadways, or portions of a highway or roadway, designated by the commission and located outside of a nonattainment area or affected county to count towards the percentage of use requirement in this subsection. For a proposed project involving a marine vessel or engine, the vessel or engine must be operated in the intercoastal waterways or bays adjacent to a nonattainment area or affected county of this state for a sufficient amount of time over the lifetime of the project, as determined by the commission, to meet the cost-effectiveness requirements of Section 386.105.

SECTION 2.04. Subsection (a), Section 386.106, Health and Safety Code, is amended to read as follows:

(a) Except as provided by Section 386.107 and except for infrastructure projects and infrastructure purchases that are part of a broader retrofit, repower, replacement, or add-on equipment project, the commission may not award a grant for a proposed project the cost-effectiveness of which, calculated in accordance with Section 386.105 and criteria developed under that section, exceeds \$15,000 [~~\$13,000~~] per ton of oxides of nitrogen emissions reduced in the nonattainment area or affected county for which the project is proposed. This subsection does not restrict commission

1 authority under other law to require emissions reductions with a
2 cost-effectiveness that exceeds \$15,000 [~~\$13,000~~] per ton.

3 SECTION 2.05. Section 386.109, Health and Safety Code, is
4 amended to read as follows:

5 Sec. 386.109. ELIGIBLE INFRASTRUCTURE PROJECTS. (a) The
6 commission may consider for funding under Section 386.108:

7 (1) the purchase and installation at a site of
8 equipment that is designed primarily to dispense qualifying fuel,
9 other than standard gasoline or diesel, or the purchase of on-site
10 mobile fueling equipment;

11 (2) infrastructure projects, including auxiliary
12 power units, designed to dispense electricity to motor vehicles and
13 on-road and non-road diesels; and

14 (3) a project that involves a technology that allows a
15 vehicle to replace with electric power, while the vehicle is
16 parked, the power normally supplied by the vehicle's internal
17 combustion engine.

18 (b) The commission may provide funding to other state
19 agencies to implement projects under Subsection (a)(3), including
20 funding for the lease, purchase, or installation of idle reduction
21 technologies and facilities at rest areas and other public
22 facilities on major highway transportation routes located in areas
23 eligible for funding. Funding under this subsection may include
24 reasonable operational costs determined by the commission to be
25 needed for the initial start-up and proper operation of the idle
26 reduction technologies. The state agency leasing, owning, or
27 operating the idle reduction facility constructed with funds

1 provided under this subsection may, but is not required to, charge
2 reasonable fees for the provision of idle reduction services
3 provided that those fees are used to directly offset the cost of
4 providing the services.

5 (c) The commission shall encourage the use of a technology
6 that allows a vehicle to replace with electric power, while the
7 vehicle is parked, the power normally supplied by the vehicle's
8 internal combustion engine at the state's ports and border
9 crossings in affected areas.

10 SECTION 2.06. Section 386.117, Health and Safety Code, is
11 amended by adding Subsection (e) to read as follows:

12 (e) The commission or its designee shall notify potential
13 applicants of any changes to the rebate grant process by its email
14 list service and posting those changes on its Internet website at
15 least 30 days before the changes become effective.

16 SECTION 2.07. Subsection (b), Section 386.251, Health and
17 Safety Code, is amended to read as follows:

18 (b) The fund is administered by the commission
19 ~~[comptroller]~~ for the benefit of the plan established under this
20 chapter. The fund is exempt from the application of Section
21 403.095, Government Code. Interest earned on the fund shall be
22 credited to the fund.

23 SECTION 2.08. Section 387.003, Health and Safety Code, is
24 amended by adding Subsections (c) through (f) to read as follows:

25 (c) The commission shall provide oversight as appropriate
26 for grants provided to the nonprofit organization under this
27 program.

1 (d) The nonprofit organization shall submit to the
2 commission for approval a budget for the disposition of funds
3 granted under this program.

4 (e) The commission shall limit the use of grants for
5 administrative costs incurred by the nonprofit organization to an
6 amount not to exceed 10 percent of funding provided to the nonprofit
7 organization under this program.

8 (f) The nonprofit organization that receives grants from
9 the commission under this program is subject to Chapters 551 and
10 552, Government Code.

11 SECTION 2.09. Section 387.005, Health and Safety Code, is
12 amended to read as follows:

13 Sec. 387.005. ELIGIBLE PROJECTS; PRIORITIES. (a) Grants
14 awarded under this chapter shall be directed toward a balanced mix
15 of:

16 (1) retrofit and add-on technologies and other
17 advanced technologies that ~~[to]~~ reduce emissions from the existing
18 stock of engines and vehicles targeted by the Texas emissions
19 reduction plan; and

20 (2) advanced technologies for new engines and vehicles
21 that produce very-low or zero emissions of oxides of nitrogen,
22 including stationary and mobile fuel cells~~[,~~

23 ~~[(3) studies to improve air quality assessment and~~
24 ~~modeling; and~~

25 ~~[(4) advanced technologies that reduce emissions from~~
26 ~~other significant sources].~~

27 (b) The commission shall identify and evaluate and may

1 consider making grants for technology projects that would allow
2 qualifying fuels to be produced from energy resources in this
3 state. In considering projects under this subsection, the
4 commission shall give preference to projects involving otherwise
5 unusable energy resources in this state and producing qualifying
6 fuels at prices lower than otherwise available and low enough to
7 make the projects to be funded under the program economically
8 attractive to local businesses in the area for which the project is
9 proposed.

10 (c) In soliciting proposals under Section 387.004 and
11 determining how to allocate grant money available for projects
12 under this chapter, the commission shall give special consideration
13 to advanced technologies and retrofit or add-on projects that
14 provide multiple benefits by reducing emissions of particulates and
15 other air pollutants.

16 (d) A project that involves publicly or privately owned
17 vehicles or vessels is eligible for funding under this chapter if
18 the project meets all applicable criteria.

19 ~~(e) [Studies authorized under Subsection (a)(3) shall be~~
20 ~~consistent with air quality research priorities identified by the~~
21 ~~commission and conducted in an independent and objective manner.]~~

22 ~~[(f)]~~ If a commissioner is an employee or owner of an entity
23 that applies for a grant under this chapter, the commissioner,
24 before a vote on the grant, shall disclose the fact of the
25 commissioner's employment or ownership. The disclosure must be
26 entered into the minutes of the meeting. The commissioner may not
27 vote on or otherwise participate in the awarding of the grant. If

1 the commissioner does not comply with this subsection, the entity
2 is not eligible for the grant.

3 SECTION 2.10. Subsection (d), Section 151.0515, Tax Code,
4 is amended to read as follows:

5 (d) This section expires August 31, 2013 [~~September 30,~~
6 ~~2010~~].

7 SECTION 2.11. Subsection (c), Section 152.0215, Tax Code,
8 is amended to read as follows:

9 (c) This section expires August 31, 2013 [~~September 30,~~
10 ~~2010~~].

11 SECTION 2.12. Subsections (a), (b), and (b-1), Section
12 501.138, Transportation Code, are amended to read as follows:

13 (a) An applicant for a certificate of title, other than the
14 state or a political subdivision of the state, must pay the county
15 assessor-collector a fee of:

16 (1) \$33 if the applicant's residence is a county
17 located within a nonattainment area as defined under Section 107(d)
18 of the federal Clean Air Act (42 U.S.C. Section 7407), as amended,
19 or is an affected county, as defined by Section 386.001, Health and
20 Safety Code; or

21 (2) \$28 if the applicant's residence is any other
22 county[, ~~or~~

23 ~~[(3) on or after September 1, 2010, \$28 regardless of~~
24 ~~the county in which the applicant resides].~~

25 (b) The county assessor-collector shall send:

26 (1) \$5 of the fee to the county treasurer for deposit
27 in the officers' salary fund;

1 (2) \$8 of the fee to the department:

2 (A) together with the application within the time
3 prescribed by Section 501.023; or

4 (B) if the fee is deposited in an
5 interest-bearing account or certificate in the county depository or
6 invested in an investment authorized by Subchapter A, Chapter 2256,
7 Government Code, not later than the 35th day after the date on which
8 the fee is received; and

9 (3) the following amount to the comptroller at the
10 time and in the manner prescribed by the comptroller:

11 (A) \$20 of the fee if the applicant's residence
12 is a county located within a nonattainment area as defined under
13 Section 107(d) of the federal Clean Air Act (42 U.S.C. Section
14 7407), as amended, or is an affected county, as defined by Section
15 386.001, Health and Safety Code; or

16 (B) \$15 of the fee if the applicant's residence
17 is any other county~~[, or~~

18 ~~[(C) on or after September 1, 2010, \$15~~
19 ~~regardless of the county in which the applicant resides].~~

20 (b-1) Fees collected under Subsection (b) to be sent to the
21 comptroller shall be deposited as follows:

22 (1) before September 1, 2008, to the credit of the
23 Texas emissions reduction plan fund; ~~[and]~~

24 (2) on or after September 1, 2008, and before
25 September 1, 2010, to the credit of the Texas Mobility Fund, except
26 that \$5 of each fee imposed under Subsection (a)(1) and deposited on
27 or after September 1, 2008, and before September 1, 2010, shall be

1 deposited to the credit of the Texas emissions reduction plan fund;
2 and

3 (3) on or after September 1, 2010, to the credit of the
4 Texas emissions reduction plan fund.

5 SECTION 2.13. Subsection (c), Section 502.1675,
6 Transportation Code, is amended to read as follows:

7 (c) This section expires August 31, 2013 [2010].

8 SECTION 2.14. Subsection (c), Section 548.5055,
9 Transportation Code, is amended to read as follows:

10 (c) This section expires August 31, 2013 [2010].

11 SECTION 2.15. Section 12, Chapter 1125, Acts of the 79th
12 Legislature, Regular Session, 2005, amending Subsection (a),
13 Section 386.252, Health and Safety Code, is repealed.

14 ARTICLE 3. ENERGY EFFICIENCY

15 SECTION 3.01. Section 388.003, Health and Safety Code, is
16 amended by adding Subsections (b-1) and (b-2) to read as follows:

17 (b-1) If the State Energy Conservation Office determines,
18 based on written recommendations from the laboratory, that the
19 latest published edition of the International Residential Code
20 energy efficiency provisions or the latest published edition of the
21 International Energy Conservation Code will improve residential or
22 commercial energy efficiency and air quality equivalent to or more
23 stringent than the editions adopted under Subsection (a) or (b),
24 the office may by rule adopt the equivalent or more stringent
25 editions and substitute them for the initial editions described by
26 Subsection (a) or (b). The rule, if adopted, shall establish an
27 effective date for the new editions but not earlier than nine months

1 after the date of adoption. The laboratory shall make its
2 recommendations not later than six months after publication of new
3 editions at the end of each three-year code development cycle of the
4 International Residential Code and the International Energy
5 Conservation Code.

6 (b-2) The State Energy Conservation Office shall by rule
7 establish a procedure for persons who have an interest in the
8 adoption of energy efficiency codes under Subsection (b-1),
9 including commercial and residential builders, architects and
10 engineers, county and other local government authorities, and
11 environmental groups, to have an opportunity to comment on the
12 codes under consideration and to have the commentary considered by
13 the laboratory in developing its recommendations.

14 SECTION 3.02. Section 388.005, Health and Safety Code, is
15 amended to read as follows:

16 Sec. 388.005. ENERGY EFFICIENCY PROGRAMS IN CERTAIN
17 POLITICAL SUBDIVISIONS. (a) In this section:

18 (1) "Institution of higher education" includes an
19 institution of higher education defined by Section 61.003,
20 Education Code, and a private institution of higher education that
21 receives funding from the state.

22 (2) "Political[~~,"~~ "political"] subdivision" means:

- 23 (A) [~~(1)~~] an affected county; or
24 (B) [~~(2)~~] any political subdivision in a
25 nonattainment area or in an affected county other than[~~+~~
26 [~~(A)~~ a school district, or
27 [~~(B)~~] a district as defined by Section 36.001 or

1 49.001, Water Code, that had a total annual electricity expense of
2 less than \$200,000 in the previous fiscal year of the district.

3 (3) "State agency" means a department, commission,
4 board, office, council, or other agency in the executive branch of
5 government that is created by the constitution or a statute of this
6 state and has authority not limited to a geographical portion of the
7 state.

8 (b) Each political subdivision, institution of higher
9 education, or state agency shall implement all energy efficiency
10 measures that meet the standards established for a contract for
11 energy conservation measures under Section 302.004(b), Local
12 Government Code, in order to reduce electricity consumption by the
13 existing facilities of the entity [~~the political subdivision~~].

14 (c) Each political subdivision, institution of higher
15 education, or state agency shall establish a goal to reduce the
16 electric consumption by the entity [~~political subdivision~~] by five
17 percent each year for six [~~five~~] years, beginning September 1, 2007
18 [~~January 1, 2002~~].

19 (d) A political subdivision, institution of higher
20 education, or state agency that does not attain the goals under
21 Subsection (c) must include in the report required by Subsection
22 (e) justification that the entity [~~political subdivision~~] has
23 already implemented all available measures.

24 (e) A political subdivision, institution of higher
25 education, or state agency annually shall report to the State
26 Energy Conservation Office, on forms provided by that office,
27 regarding the entity's [~~political subdivision's~~] efforts and

1 progress under this section. The State Energy Conservation Office
2 shall provide assistance and information to the entity [~~political~~
3 ~~subdivisions~~] to help it [~~the political subdivisions~~] meet the
4 goals set under this section.

5 SECTION 3.03. Subsection (b), Section 44.901, Education
6 Code, is amended to read as follows:

7 (b) The board of trustees of a school district shall
8 establish a goal to reduce the annual electric consumption by five
9 percent each year for six years, beginning September 1, 2007. The
10 board of trustees of a school district may enter into an energy
11 savings performance contract in accordance with this section.

12 SECTION 3.04. Subsection (d), Section 2155.068, Government
13 Code, is amended to read as follows:

14 (d) As part of the standards and specifications program, the
15 commission shall review contracts for opportunities to recycle
16 waste produced at state buildings, shall develop and update a list
17 of equipment and appliances that meet the energy efficiency
18 standards of Section 2158.301, and shall assist state agencies in
19 selecting products under that section as appropriate.

20 SECTION 3.05. Chapter 2158, Government Code, is amended by
21 adding Subchapter F to read as follows:

22 SUBCHAPTER F. ENERGY AND EFFICIENCY STANDARDS

23 FOR EQUIPMENT AND APPLIANCES

24 Sec. 2158.301. ENERGY CONSERVATION. If available and cost
25 effective, the commission or another state agency shall purchase
26 equipment and appliances for state use that meet or exceed:

27 (1) the federal energy conservation standards under

1 the Energy Policy and Conservation Act (42 U.S.C. Section 6295) or
2 any federal regulations adopted under the federal act; or

3 (2) the federal Energy Star standards designated by
4 the United States Environmental Protection Agency and the United
5 States Department of Energy.

6 SECTION 3.06. (a) The State Energy Conservation Office
7 shall adopt rules implementing a procedure for stakeholder
8 participation as required under Subsection (b-2), Section 388.003,
9 Health and Safety Code, as added by this article, as soon as
10 practicable after the effective date of this Act.

11 (b) The State Energy Conservation Office shall adopt rules
12 as necessary to implement Subsection (b), Section 44.901, Education
13 Code, as amended by this article, as soon as practicable after the
14 effective date of this Act.

15 SECTION 3.07. (a) The energy conservation standards for
16 equipment and appliances under Section 2158.301, Government Code,
17 as added by this article, apply to a purchase by a state agency on or
18 after the effective date of this Act.

19 (b) The Texas Building and Procurement Commission shall
20 develop a list of equipment and appliances under Section 2155.068,
21 Government Code, as amended by this article, as soon as practicable
22 after the effective date of this Act.

23 ARTICLE 4. EFFECTIVE DATE

24 SECTION 4.01. This Act takes effect immediately if it
25 receives a vote of two-thirds of all the members elected to each
26 house, as provided by Section 39, Article III, Texas Constitution.
27 If this Act does not receive the vote necessary for immediate

1 effect, this Act takes effect September 1, 2007.